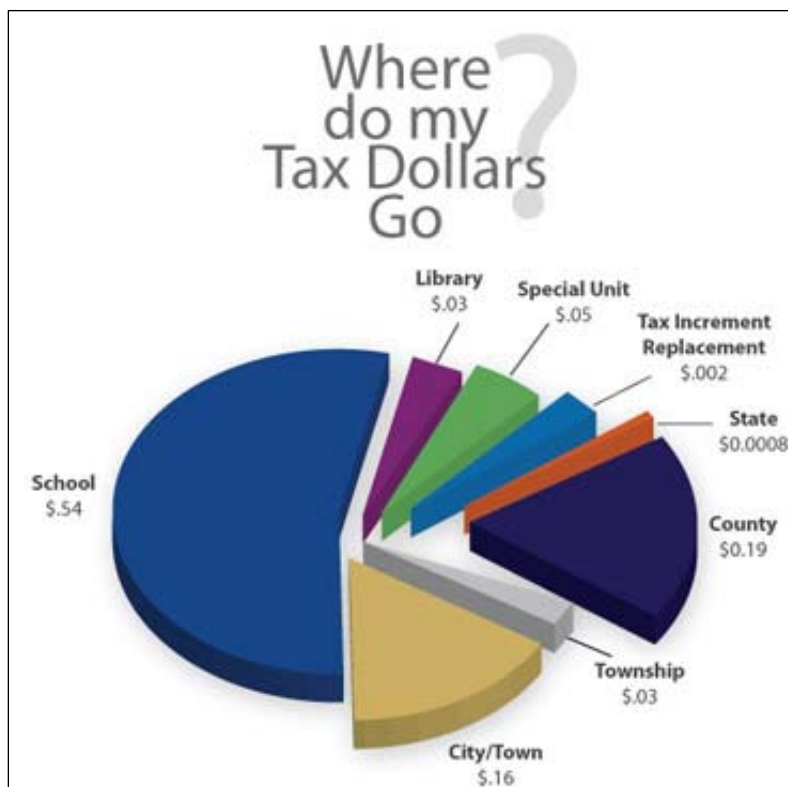




Citizen's Guide to Property Taxes



Every property tax dollar funds several components of local government in Indiana. This graph displays where on average each property tax dollar goes.

The following guide provides a list of resources that can help you better understand the property tax process in Indiana:

[What are the current tax rates across counties in Indiana?](#)

[What home deductions are available to me?](#)

[What do my county's spending habits look like?](#)

Citizen's Guide to Property Taxes

[When are budget hearings scheduled for my county?](#)

[How do other states' property taxes compare to Indiana?](#)

Where do I go for information about my local government?

[Find information about your local government.](#)

[Find your local government leaders and offices.](#)

[Contact Information](#)

[News Room](#)

Citizen's Guide to Property Taxes

Frequently Asked Questions

What is the purpose of property taxes?

Property tax increases or decreases are a direct result of the local government's budgeted spending from the previous year. Property taxes may increase or decrease depending upon the assessed value of your home and/or local tax rates. Tax rates are based on the budget proposals of local governments.

Of the property taxes collected, more than 99 cents of every dollar goes to pay for local government spending, which should cover a range of public-safety and education services (schools, libraries, etc.). The state provides more than \$2 billion in property-tax relief to local governments, as a means of helping relieve the tax burden local spending can place on county citizens.

How are my property taxes assessed?

Property taxes represent your portion of the local government's spending for the previous year.

A property's assessed value is the only basis for property taxes. Annually, local governments assess the value of your property on March 1, based on the market value of the property in use. County officials add all of the assessed values of property in a county together and subtract the applicable deductions to determine the county's net-assessed value.

The **Department of Local Government Finance (DLGF)** reviews the total amount of money local government units can spend in a year, based on projected incoming funds the local government expects to collect from various sources throughout the year. The total amount of money a county requests is divided by the total net assessed value of all properties in the county to determine the tax rate.

The tax rate is multiplied by the assessed value, after all the deductions are subtracted from each property. The county auditor then applies the state homestead credit and property tax replacement credit to arrive at the amount of taxes the property owner will owe the county.

Property owners can estimate their property taxes for new construction by adding the cost of the land and improvements together and multiplying by the tax rate the county has set. County auditors are responsible for providing the most accurate information on individual property taxes. Taxes in Indiana are due annually in two installments—May 10 and Nov. 10.

Citizen's Guide to Property Taxes

Frequently Asked Questions (cont)

What is the role of the Department of Local Government Finance (DLGF) in setting the tax rates for my local government?

Property tax increases are the direct result of local government judgment and spending. Local boards and councils develop the budgets and submit a request to DLGF for funding from property taxes. DLGF determines the tax rates based on what local governments have requested, but also ensure local government requests are in line with state statutes and regulations.

What drives property tax increases or decreases?

Property taxes increase or decrease due to local government spending. Local boards and councils develop the budgets and approve the property taxes. This is why it is important for taxpayers to be active in their local government process, such as attending annual budget hearings, public meetings, etc.

Why did my local government increase my property taxes?

To know exactly why, you would need to talk with your local government officials. However, there are a variety of reasons why property taxes increase in general. First, local government may have increased taxes to pay for more local spending, such as bond issues for new buildings. Also, the inventory tax was abolished for most counties in 2007. This spread the tax burden to other property taxpayers in the county. Furthermore, your property taxes may have increased due to a higher reassessment based on the current market value of your property.

How do I find out when and where local budget hearings will be held?

Public local budget hearings will be scheduled in August and September. Notices about the hearings must be published in the local newspaper at least three times. Watch your local newspaper for these listings.

Who should I contact with questions about my property tax bill?

You should contact the county auditor or county treasurer. They have the most information about why your property taxes have changed. While the Department of Local Government Finance can see the cumulative change, it does not have the specific detail on why your individual bill changed.

What can I do if I think there is an error in my tax bill?

Your county treasurer is responsible for printing and distributing your property tax bill. If there is a factual error in your tax bill, contact your county treasurer immediately.

Citizen's Guide to Property Taxes

Frequently Asked Questions (cont)

What if I disagree with my assessment? How do I appeal?

If you feel your assessment does not reflect the market value of your home, you may appeal your assessment. You may file a [Form 130](#) or write a letter to your township assessor within 45 days of receiving your tax notice or bill. If you believe there is an error on your assessment, you may submit a [Form 133](#) (Petition for Correction of Error) to the county auditor.

What are the local units of government that contribute to my tax bill?

Taxing entities include township assistance and welfare, police and fire service, school corporations and libraries. For information about taxing entities in counties that have been certified for 2007, please click [here](#).

What are taxing districts?

Taxing districts make up a specific area within a county that includes taxes for all services in that community. For example, a township could be a taxing district. To locate your taxing district, click [here](#).

What happened to the tax relief that was passed by the General Assembly this year?

During the final hours of the 2007 session, the General Assembly passed \$300 million in new tax relief for homeowners in the form of a "Homestead Refund" check. Because the state will not have funding for the rebates until late in the year, the refund or "rebate" checks will allow tax billing to go forward without causing additional delays in mailing 2007 tax bills. In addition, a total of \$500 million in Homestead Credits was passed to help provide further property tax relief. However, these relief efforts cannot make up the difference if local governments spent more than the tax relief can cover.

The General Assembly also offered local governments three new local income tax options. If local governments choose to adopt them by the October 1 deadline, these options could offer additional property tax relief for local residents next year.